

**Amendments to the Specification:**

Please replace the paragraph beginning at line 8 of page 1 with the following rewritten paragraph:

Means for executing ATM transmission of image signals to which variable rate encoding is applied by an MPEG2 system using a terminal stipulated by ITU-T recommendation, H.310 (hereinafter called merely the "terminal device") is known generally. In other words, when ATM transmission is performed, image transmission means is known that connects a local area ATM network laid down in a first area to a local area ATM network laid down in a second area through a public [[AM]] ATM network, and transmits images.

Please replace the paragraph beginning at line 21 of page 2 with the following rewritten paragraph:

~~It is an object~~ An aspect of the present invention is directed to provide providing a statistic multiplex transmission system capable of obtaining a statistic multiplex effect in an image transmission system, for example, in an image transmission system using H.310 terminals.

Please replace the paragraph beginning at line 17 of page 6 with the following rewritten paragraph:

Audio signals inputted from a microphone 12 are supplied to a speech signal ~~encoding/encoding~~ encoding/decoding unit 15. The speech signal encoding/decoding unit 15 performs high efficiency encoding for the audio signals, generates a transmission audio stream and supplies the transmission audio stream to a system multiplexing/demultiplexing unit 16.

Please replace the paragraph beginning at line 1 of page 8 with the following rewritten paragraph:

The ATM cell multiplexing/demultiplexing unit 26 applies the statistic information to a statistic multiplexing control unit 24. The statistic multiplexing control unit 24 performs rate addition after statistic multiplexing according to the statistic information, and applies this rate addition result to a piece-wise constant bit rate control unit 25. The piece-wise constant bit rate control unit 25 calculates a required piece-wise constant bit rate on the basis of the rate addition result. The ATM cell multiplexing/demultiplexing unit 26 performs cell multiplexing control on the basis of the piece-wise constant bit rate. In consequence, the ATM cell multiplexing/demultiplexing unit 26 performs the multiplexing process of the [[AM]] ATM cells and transmits the transmission statistic multiplex signal e to a B-ISDN public ATM network.